

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NEW YORK

CONSUMER FINANCIAL PROTECTION
BUREAU, et al.

Plaintiffs,

vs.

STRATFS, LLC (f/k/a STRATEGIC
FINANCIAL SOLUTIONS, LLC), et al.

Defendants, and

STRATEGIC ESOP, et al.,

Relief Defendants.

Case No. 1:24-cv-00040-EAW-MJR

**DECLARATION OF LISA M. JONES IN SUPPORT OF RECEIVER'S COMBINED
OPPOSITION TO MOTIONS CHALLENGING THE RECEIVER'S DETERMINATION
THAT THE BUSH LAKE TRUST, TWO SQUARE ENTERPRISES, INC., BDC GROUP,
LLC, AND VETERIS CAPITAL, LLC ARE RECEIVERSHIP DEFENDANTS**

I, Lisa M. Jones, declare under penalty of perjury and pursuant to 28 U.S.C. § 1746 that the following is true and correct:

1. I have personal knowledge of the facts set forth in this Declaration and if called as a witness, I could and would competently testify to the facts stated herein.

2. I submit this Declaration in connection with the Receiver's Combined Opposition to Motions Challenging the Receiver's Determination That The Bush Lake Trust, Two Square Enterprises, Inc., BDC Group, LLC, and Veteris Capital, LLC are Receivership Defendants.

3. I provide forensic accounting services to Thomas W. McNamara, in his capacity as the Court-appointed receiver in the instant action.

4. My analysis is generally based on my training, education and judgment, and in particular, my understanding of the transfers of monies and/or any property described below based upon the books and records of the receivership entities provided to date. My analysis is

subject to refinement and revision based on the availability, production and review of additional relevant information.

Fidelis Legal Support Services, LLC

5. Fidelis Legal Support Services, LLC (“Fidelis”) received deposits from law firms. From February 2021 through May 2024, Fidelis received more than \$57.6 million from Intervenor Law Firms. During 2022 and 2023, Fidelis received more than \$29.4 million from the Intervenor Law Firms. From May 2021 through December 2023, Fidelis received \$24.796 million from Turnbull law firms.

6. During the period from July 2021 through February 2025, Fidelis transferred more than \$37.3 million to The Bush Lake Trust, BDC Group LLC, Veteris Capital LLC, and Two Square Enterprises, Inc. For the period January 16, 2024 through February 28, 2024, Fidelis transferred millions of dollars to The Bush Lake Trust, BDC Group LLC, and Two Square Enterprises, Inc., as described more specifically below.

The Bush Lake Trust

7. Fidelis began transferring funds to The Bush Lake Trust in July 2021, with a transfer of \$25,000. Fidelis continued to periodically transfer funds to The Bush Lake Trust until January 2025. The total amount transferred to The Bush Lake Trust is more than \$16 million.

8. The two largest transfers from Fidelis to The Bush Lake Trust occurred in January and February 2024. Attached hereto as **Exhibits 1 and 2** are true and correct copies (redacted) of Fidelis’s bank account statements reflecting transfers to The Bush Lake Trust. On January 17, 2024, Fidelis transferred \$100,000; between January 22, 2024 and January 31, 2024, Fidelis transferred \$5.050 million; on February 12, 2024, Fidelis transferred \$8 million. Between

January 17, 2024 and February 12, 2024, the total Fidelis transferred to The Bush Lake Trust was \$13.050 million.

9. The Fidelis balance sheet lists The Bush Lake Trust as a current asset totaling \$13.506 million.

10. Attached hereto as **Exhibit 3** is a true and correct copy of the Fidelis's balance sheet.

11. On February 5, 2024 and April 22, 2024, The Bush Lake Trust transferred \$2.7 million and \$10.815 million, respectively, to the Sachs Sax Caplan, P.L., a real estate law firm located in Boca Raton, Florida. On April 22, 2024, a Warranty Deed was prepared for the sale of real property located in Boca Raton, Florida to Timothy Miller, as Trustee of The Bush Lake Trust for \$13,500,000. The property appears to be a vacant lot.

12. Between February 28, 2024 and December 3, 2024, The Bush Lake Trust reported \$833,663 in transfers in QuickBooks as Leasehold Improvements. However, certain payments appear to be for legal expenses, rather than Leasehold Improvements. These include \$300,000 in transfers to Hoover & Durland.

13. The Bush Lake Trust also transferred \$40,000 to Nixon Peabody LLP, which I understand to be the law firm representing Michelle Hinds Gallagher, a former Lit Def/Fidelis employee.

Two Square Enterprises, Inc.

14. Fidelis began transferring funds to Two Square Enterprises on December 7, 2022 with a transfer to \$207,000. Fidelis transferred \$664,000 to Two Square on December 28, 2022. On February 8, 2023 and December 19, 2023, Fidelis transferred \$85,000 and \$500,000, respectively, to Two Square. The largest transfer from Fidelis to Two Square, of \$1 million,

occurred on January 23, 2024. This is reflected on the Fidelis bank account statement. *See Exhibit 2.* On May 7, 2024, Fidelis transferred \$100,000 to Two Square. The aggregate amount transferred by Fidelis to Two Square is \$2.556 million.

15. Per the 2018 Domestic/Foreign Corporation Annual Report filed with the State of Illinois on December 6, 2018, the President, Secretary, and Director of Two Square Enterprises, Inc. is Cameron Christo. Per the Articles of Incorporation for Resulting Florida Profit Corporation, filed on October 24, 2024 with the Florida Secretary of State, Cameron Christo is listed as the Secretary and Director of Two Square Enterprises, Inc.

Veteris Capital LLC

16. For the period February through December 2023, Fidelis transferred \$13.550 million to Veteris Capital. Funds in the amount of \$11.1 million were transferred from the Fidelis operating account and an additional \$2.450 was transferred from the Fidelis's priority credit line account.

17. For the period February 2023 through January 17, 2024, Veteris Capital transferred funds to the entities listed below. The transfer of \$2 million from Veteris Capital to Denton 380 LLC occurred on January 17, 2024.

Amount	Entity
7,000,000.00	Origin Strategic Credit Fund LLC
2,450,000.00	Growterra LLC
2,000,000.00	Denton 380 LLC
1,250,000.00	Worldwide Superabrasives LLC
1,000,000.00	May Ranch LLC
1,000,000.00	Gilbert Investment LLC
405,000.00	CBG Financial LLC
400,000.00	Minority Builders LLC
355,000.00	William Power LLC
153,124.00	Sushi Icon
16,013,124.00	

18. Articles of Organization were filed with the Nevada Secretary of State on August 13, 2021 for Veteris Capital LLC. Cameron Christo is listed as Manager of Veteris Capital LLC.

19. The Fidelis balance sheet lists Veteris as a current asset totaling \$12.909 million.

See Exhibit 3.

BDC Group, LLC

20. From March 2023 through May 2024, Fidelis transferred \$17.755 million to BDC Group LLC. Of that amount, \$8 million was transferred during the three-day period January 22 through January 25, 2024, and \$550,000 was transferred from February 2024 through May 2024.

See Exhibit 2.

21. By the end of February 2024, BDC Group transferred \$11 million to Fidelis, which Fidelis immediately transferred to The Bush Lake Trust.

22. During the period from September 26, 2023 through September 2024, BDC Group transferred \$4.5 million to BDCI Holdings Group Investments, LLC. The largest portion of the transfers to BDCI Holding Group Investments LLC, \$3.418 million, occurred during the period May 2024 through September 2024. The initial transfers were wired to Rahn+Bodmer Co., a Swiss financial institution. There were additional transfers to Kaiser Partner Privatbank, which is located in Liechtenstein.

23. BDC Group transferred \$2.140 million to KRF Capital LLC from April 12, 2024 through March 28, 2025. Per BDC Group QuickBooks records, the transfers reported in the KRF Capital account were reported in four sub-accounts: GP Investment, Muse, Muse (Shannon), and Tuscany Villa. The transfers reported in the Tuscany Villa sub-account total \$1.535 million.

24. Per KRF Capital's 2023 Foreign Limited Liability Company Reinstatement filed with the Florida Secretary of State on November 7, 2023, Kyle Fox is the authorized person and listed her title as President.

25. The balance sheet for BDC Group reports "Other Assets" totaling \$12.02 million, with BDCI Holdings Group Investments and KRF Capital as the two largest assets.

Executed this 17th day of April, 2025, in San Diego, California.

Lisa M. Jones
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